

Q1. What is Scrap Venture (SV)?

A1. Scrap Venture is a sales program designed to allow the Defense Reutilization and Marketing Service (DRMS) to offer current and future generations of scrap property on a "proceeds sharing" basis in a manner similar to the way it disposes of usable surplus property suitable for public sales.

Q2. How will SV work?

A2. This contract will provide exclusive access to this property (scrap ferrous, non-ferrous, and non-metallic material) for a minimum of seven years, subject to the option of both DRMS and the contractor to cancel the contract earlier if the contractor does not achieve an objective minimum performance threshold. DRMS may elect to extend the term to up to 10 years. The contractor will pay the government a portion of the estimated value to take possession of the property. Once sold, DRMS will receive a portion from the proceeds of the sale minus the contractor's expenses.

Property locations where the scrap will be offered include multiple Department of Defense (DoD) installations throughout the United States (including Alaska but excluding locations in Hawaii, Tennessee, North Carolina and South Carolina). Under the arrangement, DRMS will provide the contractor exclusive rights to the scrap property described therein and obtain a share of all net proceeds obtained upon resale.

Q3. Will all scrap property be offered to the contractor?

A3. No. Materials known as "range residue" are excluded. These residue materials are collected during the cleanup of training ranges where live ordnance is expended. Property that requires demilitarization (destruction) to make it useless for military or lethal purposes and electronic scrap is excluded but maybe offered to the contractor on a case-by-case basis. Other types of excluded scrap property include hazardous materials, material bearing precious metals, certain other material. Excluded scrap will be sold by DRMS using the traditional sales methods.

Q4. How was the program developed?

A4. Industry suggestions received at the DRMS Scrap Venture Industry Forum were used to develop the SV Initiative, and guidance was offered to potential bidders online at [http://www.drms.dla.mil/sales/scrap/scrap venture/scrap venture.html](http://www.drms.dla.mil/sales/scrap/scrap%20venture/scrap%20venture.html) to assist parties in creating a technical proposal. Based on those proposals, five U.S. contractors were found technically qualified and were asked to submit bids. Of the five companies invited to submit bids, DRMS received four offers.

Bidders competed for a multi-year contract for sale of scrap material at locations nationwide. The bids were sought as part of the "Scrap Venture" (SV) Initiative, which offers the high bidder the chance to purchase nearly all scrap material collected by DRMS that is generated within the continental United States and Alaska.

#### Bid Results:

Bidder 1	Utica Alloy	\$1,210,000.00
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Bidder 2	Govt. Scrap Sales	\$3,888,888.00
Bidder 3	Johnson & Assoc.	\$1,550,000.00
Bidder 4	Liquidity Services	\$5,713,613.00

Q5. Have there been any objections to SV?

A5. A protest was received; however, on March 14 the Government Accountability Office (GAO) notified DRMS that the pending protest was denied. With that decision DRMS has moved forward and filed a request for approval of the sale with the Department of Justice (DOJ). Award of the contract will be made based on the highest bid price offered by a responsive and responsible bidder. DRMS expects a decision from DOJ within the next few weeks, followed by award if approved.

Q6. Why doesn't DRMS continue to sell the scrap material itself?

A6. As with its Commercial Venture contract for the sale of usable property, the government anticipates that this business arrangement will provide benefits through more effective marketing, higher profits, lower costs and an increase in net sales proceeds to the U.S. Treasury.

Q7. Will I still be able to buy scrap property? If so how?

A7. Yes, but once the contract is in place it will have to be purchased through the contractor.

Q8. How will I do I do business with the SV contractor?

A8. Once the contract is awarded it will be up to the contractor how to advertise and conduct sales. Information about the contractor will be released once the contract is awarded that should help interested parties make contact.

Q9. I currently/have done do business with DRMS - Will my name be given to the SV contractor?

A9. The names of Businesses/Individuals that have been/currently involved in the purchaser of DRMS scrap property will be provided to the SV Contractor.

Q10. I currently have a term contract what happens to my contractor?

A10. DRMS will issue a 30-day termination notice (Condition E. found in Part 4 of the Sale by Reference Pamphlet), in conjunction with the SV implementation date at each site.

Q11. When is this supposed to start?

A11. DRMS hopes to receive approval from DOJ within a couple of weeks. At that time it will be up to the contractor to provide DRMS a site implementation schedule consistent with the phase in schedule outlined in the IFB.

Q12. DRMS currently sells my scrap from my Qualified Recycling Program (QRP). Is this scrap included? Will I still receive proceeds?

A12. Generators having a Qualified Recycling Program (QRP) may elect to sell the RRRP Material themselves. If QRP's opt to turn-in the material to DRMS, such material is therefore included under the SV contract. QRP's are entitled to reimbursement from DRMS in the amount of the Gross Proceeds obtained from sale of the scrap. The Purchaser is to

report the sale of such material to DRMS twice monthly which will enable reimbursement to the generator as soon as is reasonably possible after turn-in.